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PLEASE PASS TO H FOR TRANSMISSION TO CONGRESSMAN WEXLER'S OFFICE

E.O. 12958: DECL: 12/08/2018

TAGS: PREL PGOV EAID KWBG IR IS

SUBJECT: NETANYAHU TELLS REP. WEXLER IRAN TOP PROBLEM FOR NEW ADMINISTRATION

Classified By: Charge D'Affaires Marc Sievers for reasons 1.4 (b and d)

¶1. (C) SUMMARY: On December 3, Congressman Robert Wexler (D-Florida) and Likud leader Binyamin Netanyahu discussed the new Administration in Washington and its significance for Israel and the region. Netanyahu stressed that he was optimistic about working with President Elect Obama if he becomes Prime Minister, and demonstrated a keen understanding of political changes in the United States. Wexler and Netanyahu agreed that Iran would be among the most pressing issues for the incoming Administration. Netanyahu did not explicitly object to U.S. engagement with Iran, but stressed that it was results that matter. He argued that in order for Middle East peace to succeed, Iranian interference must be removed from the equation. Netanyahu promised that Israel would continue peace talks with Syria and the Palestinians, but that he would shift the focus to an aggressive initiative for economic growth on the West Bank. END SUMMARY.

Netanyahu Sees Similarities to Obama

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¶2. (C) Rep. Wexler and Netanyahu began their December 3 meeting with reflections on President-Elect Barack Obama and his new Administration. Netanyahu recalled his first meeting with Obama one and a half years ago when, due to time constraints, the two agreed to meet in a supply room at National Airport in Virginia. According to Netanyahu, he immediately recognized Obama as a very able political leader who "could go all the way." Obama has an ability to hone in on what is important, said Netanyahu, who remembered that Obama asked him directly at the meeting: "What can I do?" Netanyahu brought up the issue of Iran sanctions, and within eight days Obama co-sponsored a sanctions bill that passed in the Senate.

¶3. (C) The two politicians met for a second time five months ago during Obama's visit to Israel. According to Netanyahu, Obama compared himself to the Likud leader saying that they both carried less ideological baggage than people believe. Obama comes from the left and I come from the right, continued Netanyahu, but we both know that you do not solve problems from the extremes. Netanyahu compared Obama's choice of an economic team to his own decision while serving as Finance Minister to recruit Stanley Fischer to head the Bank of Israel.

Iran Remains Top Concern

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¶4. (C) Wexler predicted that while President Bush's administration will be defined by the war in Iraq, Obama's success will almost certainly depend on his response to the economic crisis. At the same time, he will have to withdraw troops from Iraq and focus on Afghanistan. Nevertheless, Wexler pointed out that the issue of dealing with Iran played a significant role in Obama's political campaign. Obama's

position on engaging Iran could have been interpreted as a sign of weakness, said the Congressman, but by the end of the campaign it had become a winning issue for him.

15. (C) Given the high profile of Iran policy during the campaign, noted Wexler, no one needs to convince President Elect Obama that time is of the essence in stopping their nuclear program. He predicted that in order to create leverage in dealing with the Iranians, the incoming administration will begin by increasing sanctions to include refined petroleum, and reaching out with renewed urgency to Europe, India, and others. The United States must engage Iran from a position of strength, said Wexler.

16. (C) In response to the question of engaging in talks with Iran, Netanyahu said that in his mind methods were secondary - it is the result that counts. The minute the new president takes office, said Netanyahu, the intelligence on Iran's program will come rushing at him and he will have to make decisions. The Iranians will talk, speculated Netanyahu, but they will also lie and cheat. "They are very devious and should not be underestimated," said the Likud leader. Obama has two great advantages in dealing with Iran, offered Netanyahu. He has a lot of political capital, and the Iranians have been weakened by the global economic crisis.

17. (C) Netanyahu agreed with Wexler that the Obama presidency will be defined by the economy, but also contended that Iran poses no less of a challenge. "The impact on the world scene will be awesome if Iran obtains nuclear weapons," warned Netanyahu. He further characterized the government of Iran as "a crazy political cult developing weapons of mass death."

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Netanyahu said that many people underestimate Obama's toughness, and expressed confidence that Obama will prevent Iran from developing a bomb.

18. (C) In Netanyahu's view, Iran must be contained or moderate Arab governments such as Iraq, Jordan, Saudi Arabia, and the Palestinian Authority will all be endangered. We want to advance peace, said Netanyahu, but Iran will fill any space from which Israel withdraws. An Israeli pull-out from the West Bank would put Iranian proxies in rocket range of Ben Gurion Airport. Secular, moderate forces in Lebanon and the Palestinian territories are weak, and Iran has "goons and despair on their side." We can disregard the facts, said Netanyahu, and end up with the Iranians everywhere, or we can change the dynamic of who controls the other side.

Netanyahu Pledges Continued Peace Talks, New Priorities

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19. (C) If he is able to form the next government after the February 10th elections, Netanyahu promised to continue talks with both Syria and the Palestinians, but he criticized the strategy of the Olmert government as "building the top of the pyramid first." Instead of starting with the issues of Jerusalem and the right of return, the two sides need to build a base of economic and political agreements. Citing his success in kick-starting economic growth in Israel, Netanyahu said that as Prime Minister he would embark on an aggressive two-year investment plan in the Palestinian economy that would lead to immediate prosperity, and ultimately to increased confidence among Israelis regarding Palestinian intentions.

10. (C) "People need to understand that I am not playing games," said Netanyahu referring to his economic plan. No one else can deliver the Israeli public on a peace agreement, argued Netanyahu, but he insisted that there has to be a fundamental change on the Palestinian side. He cited as part of his economic strategy the development of Christian tourist sites on the West Bank, and the transit and assembly of goods traded through the port of Haifa to Iraq. Noting that he had discussed his approach with Tony Blair, the Likud leader

pointed out that similar economic initiatives led to political breakthrough in Northern Ireland and Cyprus by adding a new dimension to people's lives. "Every other way will fail," said Netanyahu.

¶11. (C) Wexler said that Palestinian Prime Minister Salam Fayyad was asking for some relaxation of security measures in such places as Jenin so that he can offer the Palestinian public some deliverables. Netanyahu said he was supportive of Fayyad's "practical approach," and said he intends to manage security issues himself if he forms the next government. If you do not manage it yourself, said Netanyahu, the security establishment can always find a way to stop it. (Netanyahu said he had not met Fayyad, but looks forward to doing so.)

Analyzing the American Elections

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¶12. (C) Wexler and Netanyahu agreed that the recent elections in the United States represent a seismic shift in American politics. "Obama changed the rules," said Netanyahu, who confessed that his campaign had already plagiarized portions of the email based organization of the Obama campaign. Netanyahu noted that even the American evangelical community, traditionally a strong supporter of Israel, has become more diverse. Netanyahu said that Obama's victory marks a permanent change in the way the United States views itself, and anyone who does not see it "is an idiot or asleep."

¶13. (U) Congressman Wexler and his staff did not have the opportunity to clear this cable.

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